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**FISCAL IMPACT STATEMENT**

**LS 6655**

**BILL NUMBER:** SB 169

**NOTE PREPARED:** Jan 28, 2008

**BILL AMENDED:** Jan 24, 2008

**SUBJECT:** Health Insurance Reports.

**FIRST AUTHOR:** Sen. Dillon

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill requires the Department of State Revenue to report to the Health Finance Commission specified information concerning the Health Benefit Plan Tax Credit. The bill also requires the Office of the Secretary of Family and Social Services to report to the Health Finance Commission certain information regarding the Indiana Check-up Plan.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** (Revised) *Department of State Revenue (DOR)* - The bill requires the DOR to submit an electronic report to the Health Finance Commission no later than September 1<sup>st</sup> of each year. The report is to include the following information regarding the Health Benefit Tax Credit:

- (1) The number of taxpayers that have taken the first year credit and the second year credit in the previous taxable year.
- (2) The amount of each credit taken.
- (3) The amount of any carryover credit.

Additionally, the report is required to include any credit taken against the Insurance Premiums Tax which the DOR may get from the Department of Insurance (DOI). The DOR's current level of resources should be sufficient to implement this requirement. The state vacant position report for January 25, 2008, indicates that the DOR had 112 vacant full-time positions.

*Family and Social Services Administration (FSSA)* - The bill requires the FSSA to report the following information to the Health Finance Commission in regard to the Indiana Check-Up Plan:

- (1) An update on the implementation of the program.
- (2) The number of individuals who have applied for the program.
- (3) The number of individuals participating in the program and their federal income level.

The FSSA's current level of resources should be sufficient to implement this requirement. The state vacant position report for January 25, 2008, indicates that the FSSA had 170 vacant full-time positions.

The bill's provisions are in effect until December 31, 2010.

**Background-** Under current law, the Health Benefit Tax Credit may be claimed against a taxpayer's state tax liability if the taxpayer makes health insurance available to the eligible taxpayer's employees and their dependents through at least one health benefit plan. The credit may be claimed for two years only if the following requirements are met:

- (1) An employee's participation in the health benefit plan is at the employee's election.
- (2) If an employee chooses to participate in the health benefit plan, they may pay their share of the cost of the plan using a wage assignment.

The credit is equal to the lesser of \$2,500 or \$50 multiplied by the number of employees enrolled in the health benefit plan during the taxable year.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue, Department of Insurance, Family and Social Services Administration, Health Finance Commission.

**Local Agencies Affected:**

**Information Sources:**

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